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## SNAPSHOT

# Eastern Fishermen Net Increase in Profit

**After decades of stifled opportunities, Vakarai's Fishermen's Social Welfare Organization improves member services through connections with local market**



Photo Credit: Asha Harrison, DAI

*Fishermen's Social Welfare Organization staff at the ice plant in Vakarai*

***Ice plant in Vakarai, one of the most conflict-affected areas of Sri Lanka's Eastern Province, shows increasing net profit and service provision for its fishermen following OTI assistance***

### Telling Our Story

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**November 2010** – With the return to peace in Sri Lanka, traditional livelihoods are now experiencing new opportunities for growth. And USAID is helping provide support for key businesses to facilitate economic development, especially in conflict-affected areas.

Two decades of conflict all but decimated the economy in Sri Lanka's Eastern Province. It took an especially heavy toll on the economic and human resources in the former LTTE-controlled area of Vakarai in Batticaloa District, where the majority of the community has been affected either directly or indirectly by conflict. Lack of economic opportunity continues to have a destabilizing effect on this area, where communities are going through a sensitive reintegration process as they transition to peace and stability.

Though suffering from high unemployment and low income, with a significant ex-combatant population, Vakarai has strong potential for economic development. A rich fishing ground, Vakarai now has an opportunity to develop the sector for the local and export market due to improved security and reduced restrictions. With increased fish catches forecasted, demand for ice to preserve and market fish is also on the increase.

To help meet this demand, USAID's Office of Transition Initiatives (OTI) helped the Vakarai Fisherman's Social Welfare Organization to equip and provide electricity for a flake ice plant. Comprised of 72 members from 18 fishermen's societies, the organization's members directly benefited from the ice plant, the only one in the vicinity.

In addition, with OTI support, fishermen received training in marketing, sales, financial management and business planning, received technical assistance to develop a business plan that would ensure the sustainability of the plant and expand services to the communities. The plant became operational in June 2010, and the plant is selling an average of 700-800kg of ice per day.

Following OTI assistance, a major Sri Lankan agro-business venture selected the fisherman's organization and ice plant as their local distribution point in Vakarai for many of their products. In addition, business links with providers outside the district have also yielded excellent results. One producer in Dambulla provides a daily supply of vegetables at whole sale price to the plant, which are sold to the communities, supplying fresh vegetables and yielding additional income for the plant.

The average net profit for the plant, after all costs are covered, is Rs. 25,000 per month (US\$225), but profit has been increasing by an average of 3.5% per month since the completion of the grant. Further business connections are made regularly and extension of services continues, such as supplying milk products to schools in the surrounding area. This still-increasing income for the fisherman's organization will contribute to the capital fund for a micro-credit bank, also initiated through with OTI support, which will be accessible to all registered fishermen in the area.

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